

Design litigation in the EU Member States: Are overlaps with other intellectual property rights and unfair competition problematic and are SMEs benefitting from the EU design legal framework?

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Genuine overlaps (several intellectual property rights (IPR) applying to the same intellectual effort) create overprotection. There is hardly any empirical legal research done on how claimants have litigated at national level not only on their design rights but also on another IPR or unfair competition. This article fills this gap by examining the decisions on all types of design rights (registered and unregistered) from the courts of the 28 Member States since the entry into force of the Design Directive and Design Regulation until August 2017, where claimants also sued on the basis of another IPR namely patents, utility models, trade marks, copyright, and the tort of slavish imitation. The article also determines the proportion of small and medium-sized enterprises and big companies who litigate and their rate of winning. This gives the extent of the use of the EU design right system by type of company and an indication of its success.

Introduction

The Design Directive and Design Regulation¹ (commonly further referred to as EU design legal framework) are now almost 20 years old. As we discussed in previous research, there is so far little

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empirical legal research done on the EU design legal framework, especially on how the national courts have interpreted the substantive law.² Besides, and to the best of our knowledge, there is no such research on how claimants have litigated not only on their design rights but also on another intellectual property right (IPR) or unfair competition. There is now enough litigation in the Member States to evaluate the EU legal system empirically, and this article fills the important aforementioned gap by examining the decisions on all types of design rights (registered, unregistered, at national and Community levels, hereafter abbreviated as RDR, UKUDR, CUDR and CRDR) from the courts of the

experts who answered country-specific queries: Mikko Antikainen, Dominica Galjdova, Helena Haag, Birgit Hirsch, Vibeke Huus Rosenquist, Edita Ivanauskiene, Dimitar Kairakov, Marzena Konsek-Bitkowska, Pavel Koukal, Ewa Kruszezwska, Antoine Latreille, Peter Mezei, Joao Miranda Sousa, Mireia Moreso Cantelejo, Dorottya Paku, Maria Papavasileiou, Jerome Passa, Eduard Pavel, Ursa Picelj, Martina Pontandolfo, Razvan Popa, Marco Ricolfi, Christian Schumacher, Lars Segato, Romy Siebelink, Eva Skufca, Sona Surmova, Magda Teppey, Marie Vanhemelen, Catarina Videira Louro, and Dirk Visser. Our apologies if we missed some in this long list. All errors remain ours.

¹ Directive 98/71/EC of 13 October 1998 on the legal protection of designs [1998] OJ L289/28; Regulation 6/2002 of 12 December 2001 on Community designs [2002] OJ L3/1.

² O. Church, E. Derclaye and G. Stupfler, “An Empirical Analysis of the Design Case Law of the EU Member States” (2019) IIC 685, section 1.1. and references cited. For other legal empirical research on this topic, see E. Derclaye, “EU Design Law: Transitioning Towards Coherence? 15 Years of National Case Law”, in N. Bruun, G. Dinwoodie, M. Levin and A. Ohly, *Transition and Coherence in Intellectual Property Law*, (Cambridge: Cambridge University Press, forthcoming 2020). Academic research on design rights’ use and strategic role has also so far been scarce. See A. Filipetti and B. D’Ippolito, “Appropriability of Design Innovation Across Organisational Boundaries: Exploring Collaborative Relationships between Manufacturing Firms and Designers in Italy” (2017) 24 Industrial Organisation 613-632; R. Filitz, J. Henkel and B. Tether, “Protecting Aesthetic Innovations? An Exploration of the Use of Registered Community Designs” (2015) 44 Research Policy 1192; J. Heikkila and M. Peltoniemi, “Great Expectations: Learning the Boundaries of Design Rights” (2019) 48 Research Policy 103795.

28 Member States since the entry into force of the Design Directive and Design Regulation until August 2017 included, where the claimant also sued on the basis of another intellectual property right or on unfair competition. The paper examines the extent of genuine overlaps in litigation between all types of design rights (registered and unregistered) and other intellectual property rights (IPR) namely with patents, utility models, trade marks, copyright, and also with the unfair competition tort of slavish imitation (sometimes called parasitism) which finds the defendant liable simply because s/he copied the claimant's design (which assumes that the defendant took advantage therefore of the claimant's efforts) even if there is no additional fact such as risk of confusion.

A genuine overlap occurs between two or more IPR when these IPR protect the same intellectual effort at the same point in time (concurrent or simultaneous overlap) on the same object, after one right has expired (a posteriori or subsequent overlap) or instead of a right (negative overlap). For instance, a genuine simultaneous overlap exists between a trade mark and a three-dimensional (3D) design if the trade mark is for the shape (as opposed to a word mark, a figurative mark or a combined word and figurative mark attached to a 3D design) of the product as it covers the design too. A genuine a posteriori overlap occurs, e.g. when a design right has expired and the holder registers the design as a trade mark to prolong the duration of the design.³ A negative overlap occurs when the claimant cannot obtain a design and uses another IPR or the unfair competition tort of slavish imitation to fill the gap. By contrast, a false overlap occurs when different intellectual efforts are protected by different IPR although these rights co-exist on the same object. For instance, a word mark such as Audi is affixed on a car's bonnet. The mark protects the word 'Audi' while copyright or design may protect the bonnet's shape. We also considered the use of the unfair competition tort involving risk of confusion, which does not involve a genuine overlap, because we wanted to see the extent of the use of this basis, especially as an alternative if the claimant did not win on his or her design right.

³ E.g. *Lego Juris A/S v OHIM and Mega Brands Inc.* (C-48/09 P) EU:C:2010:516, paras. 43 ff.

IPR have different goals. Patents protect new and inventive products and processes (purely functional creations), trade mark protects signs identifying products or services to prevent consumer confusion, copyright protects ‘literary and artistic’ creations against copying, and designs sit in the middle, aiming to protect new and original creations which can be functional (but not entirely) and/or artistic. Each IPR thus has different rules associated with those aims. During the late 20th century, the issue of genuine overlaps started to emerge or become more acute in the few cases where overlaps were traditionally envisaged, mainly copyright and designs. Several reasons explain this⁴:

- The expansion of IPR beyond their original boundaries. For example, shapes were not traditionally protectable by trade marks, functional designs were not always protected by design rights.
- The lowering of protection thresholds. For instance, it is now easier to obtain a copyright on a shape owing to CJEU case law⁵.
- The purposes of some IPR are changing. For example, trade mark law was originally only meant to safeguard the origin of goods/services, but it now also protects the mark’s advertising function and therefore, the investment in a trademark.
- Litigants have exploited legal loopholes to obtain maximum protection.

⁴ See e.g. A. Quaadvlieg, “Concurrence and Convergence in Industrial Design: Three-Dimensional Shapes excluded by Trade Mark Law”, in W Grosheide and J Brinkhof (eds), *Intellectual Property Law, Articles on Crossing Borders between Traditional and Actual* (Antwerpen, Intersentia 2004) 23, 24; A. Kur, “Exceptions to Protection Where Copyright and Trade Mark Overlap: Parody, News Reporting and Other ‘Speech’ Use of Trade Marks”, General report, in J. Ginsburg and J. Besek (eds), *Adjuncts and Alternatives to Copyright, Proceedings of the ALAI Congress, June 13-17, 2001, New York USA* (New York, Columbia University School of Law 2002), p. 53, 594; G. Dinwoodie, “Copyright, Trade Marks and Trade Dress: The Overlap (and Conflict?) in Intellectual Property Regimes concerning Designs and Visual Images”, General Report, in J. Ginsburg and J. Besek (eds), *Adjuncts and Alternatives to Copyright, Proceedings of the ALAI Congress, June 13-17, 2001, New York USA* (New York, Columbia University School of Law 2002), p.497, 503-504.

⁵ See *Cofemel*, n. 10 and 31 below and *Brompton*, n. 47 below.

- Creation of new IPR (e.g. utility models, plant variety rights, database *sui generis* right) both at national and EU level (e.g. national and Community designs, national and EU trade marks), and in countries where slavish imitation exists, it can be used to fill gaps in the IPR framework.

In the meantime, legislators have not fully regulated these genuine overlaps.⁶ Therefore, they occur more frequently and while many do not pose problems, some can sometimes overprotect intellectual creations, disturbing the intellectual property framework and goals and creating or reinforcing intellectual property rights holders' market power or monopolies. Three-dimensional works which can be protected both by copyright and/or designs, and sometimes patents, are a good example. The shape of the product can be dictated by function, which a patent protects. At the expiry of the patent, the patent holder claims copyright on the product's shape. This is what happened in the *Brompton* case.⁷ The Court of Justice held that copyright does not protect shapes solely dictated by function but if a shape is only partly so dictated, and if the shape is original, then copyright can subsist. The decision applies the patent and copyright principles correctly, but it will be in practice difficult to apply, maintaining the risk that right holders on such functional products have an unduly long monopoly (70 years after the life of the author). Here copyright law cuts across patent law's aim to protect only for a short (20 years) time on the basis that thereafter, the product falls in the public domain. The bargain being that the patent system gives an incentive to invent by promising strong protection for a short period but only on the condition that the invention be disclosed to the public so that others can replicate it at the end of the patent's term. Competition law is not the best tool to counter the adverse effects that genuine overlaps create, as private parties (competitors and consumers) can themselves

⁶ The most important rules are art. 7 Design Directive and 8 Design Regulation and art. 4(1)(e)(ii) Trade Mark Directive (TMD)/art. 7(1)(e)(ii) EU Trade Mark Regulation (EUTMR). For discussion, see below sections on patents and trade marks below.

⁷ See n. 47 below.

sue for a breach of competition law⁸, but in practice wait until the Commission or national competition authority does. Thus, it is best if problematic overlaps are avoided at the source i.e. within intellectual property laws.

This article is mainly concerned with genuine simultaneous and negative overlaps. This is because design rights last generally for 25 years (five years renewable four times); so far only 20 years have passed since the adoption of the EU design legal framework, and it is not possible to use a design right to prolong another IPR (a posteriori overlap) since a design has to be new to be valid. The main goal of the article is to assess how often claimants use additional bases involving genuine overlaps when litigating on their design rights and the rate at which they win on these bases. This is important because genuine simultaneous overlaps can lead to overprotection for two main reasons.⁹ The first is that often there can be regime clashes, which means that the stricter regime trumps the laxer one and thus can cut across the aim of the other IPR, in this case the design right.¹⁰ The second reason is that in some countries when the claimant wins on an IPR (in our paper a design right) and on another IPR (in our article, patents, utility models, trade marks and copyright) or on slavish imitation, the court cumulates the damages although the infringement acts pertain to exactly the same intellectual effort, thereby overcompensating the claimant.¹¹ Negative overlaps also lead to overprotection by

⁸ See e.g. M. Ioannidou, *Consumer Involvement in Private EU Competition Law Enforcement* (Oxford: Oxford University Press, 2015).

⁹ For a detailed explanation of problems caused by overlaps, see E. Derclaye & M. Leistner, *Intellectual Property Overlaps, A European Perspective* (Oxford: Hart, 2011), p.3-4.

¹⁰ Opinion of Advocate General Szpunar, in *Cofemel - Sociedade de Vestuário SA v G-Star Raw* (C-683/17), para. 52.

¹¹ This is for example the case in Bulgaria, France, Hungary and Slovakia. In Poland, Slovenia and Italy for instance, it is not possible to cumulate damages if the infringements acts are the same. In Austria, the Czech Republic, Portugal and Lithuania, the matter is unclear. In Austria and Portugal, there is no statutory or case law

compensating the design right holder when it should not because the design should not normally be protected at all. This happens when the claimant successfully uses slavish imitation. Other negative overlaps are normal in the sense that if one cannot have a design, one can obtain another IPR's protection because the intellectual effort fulfils the other IPR's requirements and this is the normal way the IPR system is designed. In relation to designs however, copyright is the odd IPR out in the sense that in many countries, it is an almost perfect substitute for a design, so a lot of negative overlaps can occur. If the research shows that there are not many genuine overlaps, it means the legal system works well and vice versa. In addition, the paper also aims, wherever possible from a statistical perspective, to determine if Member States' courts differ in their approach to the genuine overlap problem. If the research shows they do, then the problem needs to be addressed via further legal harmonisation and/or judges' training.

The second aim of this article is to determine what kind of litigants go to court and which companies are sued, i.e. whether they are mainly small and medium-sized enterprises (SMEs) or big companies, and whether one type of company was winning or losing more often than the other. This gives a picture of the extent of the use of the EU design right system by each type of company and therefore an indication of its success.

We recognise that conclusions made on the basis of litigated cases cannot be extrapolated with absolute certainty beyond such litigated cases, as litigation is only the tip of the 'dispute iceberg'. Firstly, if the claimant felt they did not need a registered design right or did not need to sue on that basis if they had one (because of extra cost or any potential disadvantages to sue on such basis) for the type of design they created, then the litigation would only be on the other IPR or unfair competition basis, and we did not collect the cases for products which were litigated only on the basis of such other rights. There is evidence that claimants rely on other forms of intellectual property to protect

or little or no literature on this issue, but experts think it is not possible to cumulate damages for the same infringing acts.

their designs.¹² Secondly, as studies done for the UK Intellectual Property Office (UKIPO) show, only a small number of designers end up pursuing infringers and those who do, do not always have to actually go to court, as cease and desist letters often are sufficient to stop the infringers from infringing.¹³

Our article tests the following 20 hypotheses. We chose these hypotheses to, first, get an idea of the extent of the use of other intellectual property rights/unfair competition to protect designs, and whether when claimants use them, they are more likely to win or lose on their designs and these other bases. This can enable us to see if genuine overlaps affect the design system, namely if they complement it or trump it. Second, we assess whether SMEs are using the EU legal design system as much as larger companies, or at least constitute a substantial proportion of claimants/defendants, in order to determine if they benefit from it.

¹² See for the UK, The Big Innovation Centre (2012) *UK Design as A Global Industry: International Trade and Intellectual Property*, UK Intellectual Property Office. London, Executive Summary, p. 4.

¹³ S. Baumgart, N. Coutts and R. Soetendrop (2018) *Research into Designs Infringement: Attitudes and Behaviour of Design Rights Owners Towards Infringement*, UK Intellectual Property Office, London.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/758496/Design-Rights-Infringement-report-2018.pdf, accessed 8 May 2020, p. 5 ('However, it appears that disputes are not as common as the incidence of infringement itself. While most designers and design rights owners had experienced infringement – and experienced revenue losses as a consequence – fewer than 10% of our respondents had been involved in a dispute. [...] Most infringers will cease and desist when challenged by the design right owner, usually permanently. However, larger companies were more likely to ignore an infringement claim or allege that a design wasn't valid'). A previous UKIPO study also suggested this, see A. Carter-Silk and M. Lewiston (2012) *The Development of Design Law: Past and Future*, UK Intellectual Property Office, London, <https://www.gov.uk/government/publications/the-development-of-design-law-past-and-future>, accessed 8 May 2020, p. 71. European Economics *Economic Review on Industrial Design in Europe* (2016), http://ec.europa.eu/growth/content/economic-review-industrial-design-europe-0_en, accessed 8 May 2020, p. 169 also reports that some survey respondents chose not to sue because of the cost.

Descriptive statistics

H1: overall, in all countries, the rights most used in addition to a design right were copyright and slavish imitation

H2: overall, in all countries where copyright was used as an additional basis, claimants lost more often on their copyright than they won

H3: overall, in all countries where a patent was used as an additional basis, claimants lost more often than they won

H4: overall, in all countries where a trade mark was used as an additional basis, claimants lost more often than they won

H5: there are very few cases where the claimant used utility model as an additional basis

H6: overall, in all countries where slavish imitation was used as an additional basis, claimants lost more often than they won

H7: overall, in all countries where risk of confusion was used as an additional basis, claimants lost more often than they won

H8: a substantial portion of SMEs were suing and being sued for infringement of a design right

Inferential statistics

H9: claimants are more likely to win on their copyright on appeal

H10: in the Netherlands, claimants' rate of winning on a slavish imitation claim in addition to their design right claim is lower than half

H11: in France, claimants' rate of winning on slavish imitation or parasitism in addition to their design right claim is lower than half

H12: claimants are more likely to win in appeal on the risk of confusion basis

H13: overall in all countries, the chance of winning on another IPR or unfair competition given a win on a design right is lower than a half

H14: overall in all countries, claimants are more likely to win on appeal on the additional basis

H15: in France, there is a correlation between winning on CUDR and winning on copyright, when suing on both rights

H16: in France, there is a correlation between winning on CRDR and winning on copyright, when suing on both rights

H17: in France, there is a correlation between winning on RDR and winning on copyright, when suing on both rights

H18: in the Netherlands, there is a correlation between winning on CRDR and winning on copyright, when suing on both rights

H19: in the Netherlands, there is a correlation between winning on CUDR and winning on copyright, when suing on both rights

H20: in the Netherlands, there is a correlation between winning on RDR and winning on copyright, when suing on both rights

All these statistics will be appearing in the paper per issue and not per type of statistic i.e. whether descriptive or inferential. Here and throughout “descriptive statistics” means that we purely describe what has happened in the past based on raw numbers, while “inferential statistics” have the objective of inferring current and future behaviour (the legal and economic context staying the same) using more advanced statistical techniques.

After setting out the methodology used, namely, the sample of data, coding and analysis (first section), the second section of this article examines claimants’ use of other intellectual property rights (namely copyright, patents, trade marks and utility models) and unfair competition (namely slavish imitation and risk of confusion) in addition to a design right including the rate of winning on such

bases. Before concluding, the third and last section analyses the size of companies litigating design rights in the EU.

Methodology

Data

Our data consists of decisions on substantive design law of the judicial and administrative courts at all levels¹⁴ in the 28 Member States that have been published between 28 October 2001 (the date of entry into force of the Design Directive) until 31 August 2017 included. The decisions are those which have been handed down only on substantive aspects of design law (namely articles 1-13 and 15 of the design directive and corresponding articles in the design regulation).¹⁵ Our data consists in 2,255 court decisions overall. There are 1,408 litigated cases i.e. not counting the appeals to second and third instance courts nor preliminary decisions if they are followed by a decision on the merits. Funding constraints meant that it was not possible to collect unpublished/unreported decisions.

The relevant categories of data collected for each decision are as follows: names of the parties, dimension of the design (2D or 3D), type of design (e.g. textile pattern, furniture...), date of the decision, court level, whether the decision is affirmed or overruled when relevant, type of design right

¹⁴ Apart from France, where first instance decisions were not gathered unless there was an appeal. For more details, see below in this section.

¹⁵ These include only decisions on the merits and preliminary proceedings, not decisions which are purely procedural or criminal proceedings. Court decisions only sending references to the Court of Justice of the European Union (CJEU) (i.e. the national decision is only stating the questions and there is no other substantial discussion) were also excluded. In some countries, first instance and sometimes second instance decisions are not published, so we gathered information from second and third instance decisions when we could and inputted this information when coding. This sample of data is part of a larger dataset we put together where other variables were also used as part of a statistical analysis carried out in Church et al., n. 2 above. Further details on the collection of our data and a complete description of its characteristics can be found therein.

(RDR, CRDR, CUDR, UKUDR¹⁶), whether the court found the design invalid, whether the court found the design infringed, whether the claimant sued on the basis of other intellectual property rights or unfair competition and whether s/he won or lost on that basis. We used the EU definition of an SME given by article 2 of the Commission Recommendation of 6 May 2003, namely

“enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million”.¹⁷

The Kompass database was used to determine whether the company was a SME or big company.¹⁸

For each decision and each category, information which was not available or not clearly discernible from the decision (e.g. type of design, type of design right, type of unfair competition) was reported as ‘unknown’. Where the category of data was not applicable, which was the case in a small proportion of the decisions for the ‘Valid’ and ‘Infringed’ items and in the cases where there was no genuine overlap, it was reported as ‘not applicable’.¹⁹ Throughout the paper, we report the proportions of unknowns in our calculations; these are calculated with respect to the total number of decisions or litigations (as appropriate), as there is no a priori reason to believe that decisions with missing information would not fall into the ‘not applicable’ category, if the relevant information were accessible.

As an example, here is one line of the database showing a German case:

¹⁶ In the EU, the concept of national unregistered design right only exists in the UK.

¹⁷ Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (notified under document number C(2003) 1422), OJ L 124, p.36–41.

¹⁸ <https://gb.kompass.com>

¹⁹ Such decisions were then used in the statistical analysis unless the focus was on the particular category(ies) where an ‘unknown’ or ‘not applicable’ was reported, in which case they were discarded. For instance, all N/As were discarded in relation to overlaps since they concerned non genuine overlaps.

No.	Name	Dimension	Design type	Date	Court	Decision on design right affirmed or overruled	Design valid	Design infringed	Type of design right	Other rights involved	Won or lost on other right
11	Az: 10 O 99/05	3D	fireplace	9 September 2005	1 st instance	overruled	no	Not discussed	RDR	Copyright law, Unfair competition law ((1) imitation - consumer confusion and (2) imitation - reputation damaged and exploited)	Lost, lost, lost

Analysis and limitations

We counted litigations rather than decisions where appropriate i.e. in the last section of the paper, to avoid data being counted twice and leading to false results. For the second section, we counted decisions. A very fine stratified analysis is not advisable in the current state of our database due to low sample sizes for certain categories. This is why our statistics typically relate to the data for the 27 Member States overall.²⁰ As will be seen in the second section, we were able to make some country-specific calculations, mainly with France, as the sample size for this Member State is large enough.

Except for H14 where we used all court levels, when we refer to inferential statistics concerning the rate of winning in appeal, we mean only level 2 (court of appeal or equivalent) and not level 3 (supreme court of highest court equivalent) because the samples for level 3 decisions are typically too

²⁰ Only 7 Member States saw more than 50 litigations over our observation period: France (341), Germany (127), Italy (173), the Netherlands (193), Romania (51), Spain (64) and the UK (63).

small to perform inferential statistics. Our statistical inference procedures allow us to confirm or invalidate our hypotheses at a given level of significance, i.e. we may incorrectly invalidate our assumption, but this only happens due to statistical uncertainty and at a low specified rate. We employ two different kinds of statistical tests: a test of equal proportions, and a test for association. For the former type of test, we use a binomial test when the sample size is low or a Z-test for larger sample sizes. For the latter type, we consider either the Fisher exact test, when the sample size is low, or the traditional Pearson Chi-squared test for larger sample sizes. This enables us to test, for instance, whether two proportions should be considered equal (e.g. the rates of winning at two different court levels), or whether winning on a certain design right is correlated with winning on another IPR or unfair competition. We give more details and interpretation in sections 2 and 3 below.

The use of other intellectual property rights and unfair competition

In our previous paper, we already stated the percentages of litigants relying on other IPR or unfair competition when litigating over design rights. The data shows that per litigation, 40.08% used unfair competition, including slavish imitation, 27.45% used copyright, 6.69% used trademark and 2.43% used patents.²¹ These numbers are higher than the ones we report in this paper because we had not yet checked if there was a genuine overlap but simply checked if the claimant used another basis in addition to claiming on their design right.

Before looking at the extent of use of other IPR and unfair competition in the Member States, we note that there are some countries where there are no litigated cases in which the claimant used another IPR or unfair competition to protect their design, namely: Croatia, Ireland, Latvia and Malta. This is likely owed to the very limited amount of judgments²² in these countries (25 judgments in Croatia, 2 judgments in Ireland, 1 judgment in Latvia and 2 judgments in Malta).

²¹ Church et al., n. 2 above, p. 717.

²² Note that the number of judgments equals the number of decisions in these four countries.

Extent of use of other IPR and unfair competition overall

The additional basis that claimants most used overall in all the Member States is copyright followed by slavish imitation. H1 is confirmed. It is in France that there is the most (in absolute numbers) litigation on every other IPR (except utility models where there is none) and slavish imitation. This is likely because France is the country with the most litigation in the entire sample.

In some countries, claimants use several forms of protection more often than in others. In France, claimants used copyright and then slavish imitation the most. The second country (in terms of amount of litigation) where those two rights were used most is Italy. Trade marks were most used in France and the Netherlands. It is interesting to note that although Italy and Germany are very close in numbers of litigation to the Netherlands and France, the proportions of use of copyright and trademark are lower in the former two countries. In relation to copyright, the explanation could be that in Italy and Germany, it did not make sense to use copyright since it was available only for 3D works which reach a higher level of originality.²³ We found in our previous paper that this could be an explanation.²⁴ In terms of raw numbers, slavish imitation was used most first in France, then in Italy and then the Netherlands (respectively 119, 91 and 56 uses). It was not used in Germany, for instance, because the type of unfair behaviour does not exist, as unfair competition requires a risk of confusion or another element such as damage to the claimants' reputation or misleading advertising. Risk of confusion was used the most first in Italy, then in France (respectively 30 and 29 uses). The use of the other IPR, namely patents and utility models, is very minimal overall (respectively 38 and 11 decisions including appeals) so it is hard to draw conclusions on these IPR. Let us point out however that utility model protection does not exist in many Member States, which certainly explains the minimal amount of reliance on this right.

²³ We develop this further in section on copyright below.

²⁴ Church et al., n. 2 above, p. 696-697.

Copyright

Copyright was substantially used in France in addition to design rights, and in just over 50% of cases the claimants won on this basis (199 wins against 196 losses)²⁵. It is not surprising since France is the country of unity of art *par excellence*.²⁶ Copyright is used, and won on, substantially less in the other Member States. Only in the Netherlands (43 wins against 87 losses), Belgium (10 wins against 18 losses), Denmark (3 wins against 11 losses), Italy (4 wins against 14 losses), Greece (3 wins, 7 losses) was it used with some success, but in the majority of cases rejected. In Germany copyright was used as a basis too but the claimant lost in each case (0 wins, 13 losses). For Italy and Germany, the conclusion is again not surprising owing to, on the one hand, the higher level of originality that the claimant had to prove for 3D designs, and on the other hand, the fact that most of the relevant litigation in those countries related to 3D designs. In Italy, the claimant lost on the following eight 3D designs: jewels, shorts, a cup, chairs (in two different cases), yacht portholes, a cooker hood, a concept store, and on the following three 2D designs: decorative mosaics, a decorative graphical design and a textile design.²⁷ The designs on which claimants won are a jewel (3D), a textile design (2D), and partially won on lamps (3D). In Germany, claimants lost on the following six 3D designs: lace, fireplace, wine carafe, teddy bear, cream jar, and pendant luminaire, and on the following three 2D designs: table salt packing, web design and textile pattern.²⁸ Comparatively in Belgium, there were more wins on 3D than 2D designs, which is not surprising since Belgium protects 3D designs at the same level of originality as 2D designs.

²⁵ 4% unknowns.

²⁶ The theory of unity of art (“l’unité de l’art”) prevailed in France before the adoption of the Design Directive and Design Regulation. It means that any work of art, abstract or applied, can be protected by copyright. Therefore, copyright does not require a stricter or different requirement for works of applied art. See e.g. A.-E. Kahn, “The Copyright/Design Interface in France”, in E. Derclaye, *The Copyright/Design Interface, Past, Present and Future* (Cambridge: Cambridge University Press, 2018), p.8.

²⁷ 11 litigations and 14 decisions.

²⁸ 9 litigations and 13 decisions.

In the other Member States, copyright was either not used at all, or covered only a handful of cases and was mostly lost upon. Overall, only in France were there more wins than losses on the basis of copyright. H2 is confirmed.

At the 99% confidence level, claimants were more likely to win on copyright in appeal (58.4%²⁹) than in first instance (32.4%³⁰) (p-value < 0.001), so overall in all countries it has made sense for claimants to appeal on this basis. H9 is confirmed.

We ran statistical tests to find out whether the likelihood of winning was lower than 50% in France, the Netherlands and Belgium, which are the three countries with the most litigation on both rights, but none gave statistically significant results (for the Netherlands, the large proportion of unknowns, equal to 25%, makes it difficult to reach a satisfactory conclusion).

In France, it is the Court of Appeal of Paris who gave the most rulings in favour of the claimant (81) compared to the 1st instance courts of Paris (35), so more than twice as many (69.8%). A few other courts gave rulings in favour of the claimant on copyright: 11 by other court of appeals, five by the first instance court of Bobigny and seven by other first instance courts, two by the supreme court.

An important aspect to note is that the data we collected stops in 2017, before the Court of Justice of the European Union (CJEU) gave its decision in 2019 in the *Cofemel* case, which ruled that the requirement of originality is the same for all copyright works, including works of applied art.³¹ The Portuguese supreme court referred the case to the CJEU. The case related to a jeans and t-shirt marketed by G-Star Raw, which it claimed Cofemel copied. These works were in some countries such as Germany, Portugal, Italy and the UK subject to a stricter level, meaning that fewer 3D designs were protected by copyright. In our previous paper, we found that there was a meaningful statistical difference between those countries and those which already had the lower level of originality now required by the CJEU, in the sense that in the former, CUDR was used more frequently than copyright

²⁹ 3.7% unknowns.

³⁰ 14.0% unknowns.

³¹ *Cofemel - Sociedade de Vestuário SA v G-Star Raw*(C-683/17)EU:C:2019:721.

as copyright was almost impossible to acquire for such 3D designs.³² Because of *Cofemel*, copyright should be equally easy to acquire across the EU. Therefore, the types of litigation on design rights may change in the future. It will thus be interesting to see in the next few years whether there is less litigation overall on design rights and more on copyright or if *Cofemel* does not have such an effect. So far, it seems that nothing has changed in Portugal. The Portuguese supreme court on remand from the CJEU in *Cofemel*, affirmed its previous ruling that the jeans and t-shirt were not protected by copyright despite the lowering of the requirement owing to the CJEU's ruling.³³ Early literature suggests that things will not change in Germany either.³⁴

Patent

Very few litigants used patent as a second basis on top of their design right (44 decisions overall, namely 13 wins against 31 losses)³⁵. The claimant had more chance of winning in appeal: in 80% of the decisions, s/he lost in the first instance compared to 62.5% of decisions where s/he lost in appeal. However, the number of decisions is very small, so it is unadvisable to draw inferential conclusions from this sample. What is interesting though is that patents were used as a basis in only 10 Member States and it was again in France where it was more used (16 decisions). H3 is confirmed. It is not surprising that patents were not used much as they normally would, owing to the functional exclusions (art. 7 Design Directive and 8 Design Regulation, there are also similar provisions in the UKUDR, s. 213(3)(a)&(b) of the UK's Copyright Act), a design solely dictated by function cannot be

³² Church et al., n 2 above, p. 696-697.

³³ Decision of 15 January 2020, unpublished, on file with the author.

³⁴ M. Leistner, "Einheitslicher europäischer Werkbegriff im Bereich der angewandten Kunst – Warum sich für die deutsche Praxis dennoch nicht viel ändern sollte" (2019) GRUR 114-1120, at 1119; A. Kur, «Unité de l'art is here to stay – *Cofemel* and its consequences», Max Planck Institute Research Paper 19-16, 2019, p.14, available at <https://ssrn.com/abstract=3500845>.

³⁵ One case unknown, i.e. 2%.

protected by any design rights because this is the realm of patents.³⁶ It was also expected that claimants would lose most of the time because of this exclusion.

We analysed the French decisions as an example to see if this intuition can be confirmed. The sample is small, but there is some evidence that it is correct. There were six litigations involving a patent and a design right. We give the result of the highest court in each case. In three cases, the patent (whether it was invalid or not) invalidated the design because the design was solely dictated by function and the two overlapped.³⁷ In two other cases, the patent and design were not on exactly the same aspects of the product so they co-existed.³⁸ In the last case, the design and patent appear to be for the same product, but the design was invalid because it was divulged by the defendant before the claimant applied for it, and the patent was invalid for lack of inventiveness.³⁹ Our intuition was therefore correct in three cases. Another case showed that one may hold a patent and a design over different aspects of the same product. The last case is inconclusive.

³⁶ See also *DOCERAM v CeramTec* (C-395/16) EU:C:2018:172.

³⁷ Cour of appeal (CA) Aix-en-Provence, 7 November 2005, (*SA Cash Jouets v SA Loisiland*) ; CA Paris, 4th chamber, section B, 2 June 2006, n° 2004/14252 (*SA Acome v Styrapac SA, B2M Industries SA, Isobox Technologies SAS, Plastyrobel*) *aff'd* by Cour de cassation (Cass.), Chambre commerciale (com.), 20 November 2007, N° 06-17.915, 06-18.321 and CA Douai, 1st chamber, section 2, 13 Juin 2007, N° 05/03254 (*Association Ça Va Marcher, André Allemand v Isabelle Cordier, S.A.R.L. ISY 7, Sylvie Boudeville*). French decisions are available on www.legifrance.fr or www.irpi.fr.

³⁸ Cass. com., 22 Mars 2005 N° 03-16.532-, 03-18.818 (*L'Oréal v Bourjois*) and CA Paris, 24 January 2014 (*Nectoux v les Gourmandises de la Broceliande*).

³⁹ CA Lyon, 25 June 2009 (*France Neir v He Co Stop*). While we found the patent, it has not been possible to locate the design, even with the number stated in the decision. However, the description in the decision points to a design and patent for essentially the same product.

Trade mark

Trade mark rights were used slightly more than patent rights. This was expected since the genuine overlap between trade mark and design is normally slightly more frequent than that between patents and designs. The total number of decisions is 50 wins and 40 losses⁴⁰, so that H4 is not confirmed, and indeed in most countries (11 out of 15 countries where a trade mark basis was used) claimants won more often than lost. As stated at the start of the second section, it is in France that there are the most cases (namely 31% of the entire sample with 28 decisions, namely 13 losses against 15 wins). Overall, in the Member States, there has been a 52.7%⁴¹ chance of winning in first instance against 59.4%⁴² of winning in appeal on the trade mark basis.

These results should normally be owed to the fact that the signs do not consist exclusively of shapes or other characteristics of goods necessary to obtain a technical result (art. 4(1)(e)(ii) Trade Mark Directive (TMD)/art. 7(1)(e)(ii) EU Trade Mark Regulation (EUTMR)) or give substantial value to the goods (same articles at indent (iii)), as otherwise the EU Intellectual Property Office (EUIPO) and national intellectual property offices (IPOs) would have refused protection, or courts would later have invalidated the marks because the marks would fall in these absolute grounds of refusal. Therefore, the claimants must logically only sue on the basis of their trade mark when they are sure the trade mark is valid. However, such a high percentage may partly be due to inconsistencies in coding. Upon seeing these results in France, we double-checked the data and the numbers of genuine overlaps were reduced; however, the wins still outnumbered the losses. We conjecture that this could be the case for other countries as well (checking could also be done, but has not been, owing to lack of funding for the substantial additional translation effort involved).

⁴⁰ 4% unknowns.

⁴¹ 4.3% unknowns.

⁴² 3.7% unknowns.

We analysed in detail the French decisions as an example to see if this intuition is confirmed. In the majority of litigations (5 out of 8), the claimants were holding the design and trade mark rights on the perfume bottle “Le Mâle” of J.P. Gaultier and the courts confirmed the mark’s and design’s validity, without discussing the trade mark law exclusion of shapes giving substantial value to the good.⁴³ An explanation could be that the defendant may not have raised this objection. In France, a court cannot raise an absolute ground of refusal if the parties have not asked for this. Another case also dealt with a perfume bottle where the 3D mark and 3D design were fully overlapping and the court held both valid and infringed.⁴⁴ The court did not discuss this trade mark exclusion either. In another case concerning screwdriver handles, the court, in a brief judgment, held both the design and trade mark valid, rejecting the applicability of the functionality exclusions in both rights.⁴⁵ Finally, in a case dealing with a type of metal ground anchor, the court found the functionality exclusions applicable in both rights; and accordingly invalidated the design on the basis of article 8(1) of the Design Regulation and restated the invalidity of the overlapping mark which OHIM previously decided on the basis of article 7(1)(e)(ii) EUTMR.⁴⁶ All but the last of these cases are slightly worrying as it seems that the exclusions of either trade mark or design law should have applied, but in fact have not. If this is because the defendant does not raise the issue, then procedural rules may have to be changed to allow judges to raise it themselves if they think it applies. It can happen that defendants are less

⁴³ CA Paris, 4th chamber, section A, 15 June 2005, *Société Bellure NV v Société Beauté Prestige International*; CA Aix-en Provence, 2nd chamber, 22 October 2005, *SA Beauté Prestige International v Sarl Zaccour et fils*; CA Paris, 4th chamber Sec. A, 15 February 2006, *Société Bellure nv, Sarl Manufacture Parisienne de Cosmétique v SA Beauté Prestige International, Société Eva France* ; CA Paris Chambre 4, section A, 14 February 2007, N° 06/09813, *SA Beauté Prestige International v Société Senteur Mazal, aff’d (in relevant part) by Cass. Com., 1st July 2008, n° 07-13.952.*

⁴⁴ CA Paris Pôle 5, 2nd chamber, 23 November 2012, N° 11/19633 (*Société Pacific Création c. Société Faurie S.L.*).

⁴⁵ CA Paris, 4th chamber A, 28 January 2009 (*Sarl MB Perraud Outillages v Bost Garnache Industries et Stanley Works*).

⁴⁶ CA Paris, 10 November 2005 (*Gebr. Strab GmbH & Co. v Sarl Metalfix*).

aware/intellectual property-savvy, and therefore could otherwise not be infringing the trade mark (which the court does not invalidate where it should) especially if the design right has expired. Copyright will remain to protect the 3D product and in the case of perfumes will surely apply, but copyright law is less likely to apply in cases where the functional exclusion applies.⁴⁷ If a rule prohibiting courts to raise an absolute ground of refusal in both trade mark and design law applies in other national laws, it could explain the higher number of wins on the basis of trade mark rights.

Utility model

Claimants claimed on the basis of a utility model only in four countries, namely, the Czech Republic, Slovakia, Portugal and Spain. This is not surprising as utility models do not exist in many countries. There are 5 wins and 6 losses in total in those four countries⁴⁸, so that H5 is confirmed but the sample is too small to say anything else on this point.

Unfair competition

Slavish imitation

As stated in the sub-section titled “Extent of use of other IPR and unfair competition overall”, after copyright, slavish imitation is the second most used basis to protect a design. There are in total 320 decisions on a slavish imitation claim, namely 209 losses against 111 wins⁴⁹. H6 is therefore confirmed. Slavish imitation was used as a basis in 11 Member States only, as slavish imitation is not an unfair competition tort in many Member States. The basis was most heavily used in France (78 losses, 41 wins), Italy (51 losses, 40 wins) and the Netherlands (53 losses, 3 wins). Claimants in all three countries lost more often than they won. In the Netherlands, claimants’ rate of winning is in fact

⁴⁷ *Brompton Bicycle v Chedech / Get2Get*(C-833/18) EU:C:2020:461.

⁴⁸ No unknowns.

⁴⁹ 0.5% unknowns.

smaller than a fifth at the 99% confidence level, when based on a slavish imitation claim in addition to their design right claim (p-value = 0.005⁵⁰). H10 is therefore confirmed. Interestingly also, slavish imitation is not a very successful basis, even in France where it traditionally has been used for all intellectual property rights in addition, or as a complement, if the IPR is not protected or its protection has expired. However, in recent times, the Supreme court has been stricter and has refused protection in such cases.⁵¹ This may explain the lower rate of success. Besides, the wins and losses are roughly speaking evenly spread by type of court and over time. Therefore, it seems that many courts do not respect the supreme court precedents abolishing parasitism. Considering this supreme court case law, it is surprising that French courts still allow this basis to succeed.

That said, in France, claimants' rates of winning in cases on this basis was lower than a half at the 99% confidence level (p-value < 0.001⁵²). H11 is confirmed.

The four other countries where claimants have lost most often are Austria (1 loss, no win), Belgium (4 losses, 1 win), Lithuania (1 loss, no win) and Spain (9 losses, 3 wins). In Slovakia (4 wins, 2 losses), Portugal (1 win, no loss), Greece (4 wins, no loss) and Denmark (14 wins, 9 losses), claimants have won most often. Of course, in all these countries, the numbers are so small that it is impossible to draw any meaningful statistical conclusions.

Overall, claimants seem to have been less successful in appeal: there were 37% of wins at first instance against 31.5% of wins in appeal⁵³. This contrasts with copyright and trade mark for which the reverse is true, as we have seen in sections on copyright and trade mark above.

⁵⁰ 2.5% unknowns.

⁵¹ See e.g. Cass. Com., 8 April 2008, n. 07-11.385, Prop. Int., 2008, p. 359; Cass. Com., 1er juillet 2008 (*Société 1633 v Société Conception de presse et d'édition*), N° 07-14.741 ; Cass. Com., 9 March 2010, Prop. Int., 2010, p. 777; Cass. Com., 24 September 2013, n. 12.22413, *Contrats, Conc., Consom.*, 2013, comm. 264.

⁵² No unknowns.

⁵³ 0.9% unknowns at first instance, no unknowns in appeal.

Risk of confusion

We checked to see if claimants use risk of confusion as a basis even if there is no overlap with design rights to see the success of these claims. Often the defendants will ensure that there is no risk of confusion by affixing their own sign or registered trademarks or making it clear that the products do not originate from the claimants. It is therefore logical that there are fewer decisions on this basis (96 decisions overall) even if this is a tort which exists in the vast majority of Member States. Risk of confusion was used in only ten Member States: Italy (20 losses, 10 wins), France (10 losses, 19 wins), Greece (4 losses, 6 wins), Germany (9 losses, 1 win), Spain (4 losses, 1 win), Denmark (3 losses and no win), and 1 or 2 wins or losses in each of the remaining four countries (Austria, Cyprus, Portugal and Slovenia). The statistics show that there are more losses than wins (overall 55 losses against 41 wins)⁵⁴. H7 is confirmed. However, claimants appear to have had a better rate of success on this basis than on slavish imitation. The high amount of losses on the basis of risk of confusion is interesting, because one may have thought that the defendants would have ensured there was no risk of confusion to avoid the risk of litigation. Every decision would need to be read to determine the reason behind each loss; this could not be done owing to lack of funding. One can only speculate that perhaps the courts were generous towards claimants, or that defendants took their chances in the litigation.

The p-value of a one-sided test on the proportion of wins on risk of confusion in France, making the assumption that this proportion is higher than 0.5, is equal to 0.07.⁵⁵ This means that there is some statistical evidence of a higher than 50% chance of winning on an unfair competition claim based on risk of confusion in France. Confirming this at a higher confidence level would require more data.

There is a much lower proportion of wins in first instance than in appeal: 30.9%⁵⁶ wins at first instance against 60.5%⁵⁷ wins in appeal. Overall, in the Member States, like for copyright and trade

⁵⁴ 0.8% unknowns.

⁵⁵ No unknowns.

⁵⁶ 1.6% unknowns.

⁵⁷ No unknowns.

mark, it appears that claimants are more likely to win in appeal at the 99% confidence level (the p-value of the proportion test is 0.006). H12 is confirmed.

Rate of winning on any design right with the rate of winning on another IPR or unfair competition

In this section, we calculate the rate of winning on any type of design right (CRDR, RDR, CUDR and UKUDR) combined with winning on any other IPR (copyright, patent, trade mark or utility model) or unfair competition, namely risk of confusion or slavish imitation. Here and throughout, by “probability/rate/chance of winning on a right A given a win on right B”, we mean the rate of wins on right A in all cases (and only those) where we know that there has been a win on right B. Calculating such “conditional probabilities” allows us to assess whether winning on right A and winning on right B is correlated.

Overall, the rate of winning on another IPR or unfair competition given a win on a design right is 59.6%;⁵⁸ by contrast, the rate of winning on another IPR or unfair competition given a loss on design right is the much lower 24%, which indicates that there may exist a correlation between winning on a design right and winning on another IPR or unfair competition. At the 99% confidence level, overall in the Member States, the chance of winning on another IPR or unfair competition given a win on a design right is greater than a half (p-value < 0.001). H13 is not confirmed.

Table 1a. Wins on the basis of a design right and another IPR or unfair competition

	IPRLose	IPRWin
DesignLose	496 (41%)	156 (12.9%)
DesignWin	226 (18.7%)	333 (27.5%)

⁵⁸ 12.4% unknowns.

* IPRWin and IPRLoss in tables 1-4 mean that the claimant lost or won on the said other IPR or unfair competition; CopyrightWin or CopyrightLoss in tables below mean the claimant lost or won on copyright.

The highest percentage in table 1a (41%) relates to losses on the design basis and losses on the basis of an IPR or unfair competition. This probably means that the case was weak overall. The amount of such cases is however surprising. It may be explained by the weaker protection that designs give compared to patents, trade marks or copyright.⁵⁹ The second highest percentage (27.5%) relates to a win on the design and a win on the IPR or unfair competition basis. It is expectedly much lower than 50%, as there are few cases where genuine overlaps are allowed; if the claimant wins, it must often be because the genuine overlap is only partial. However, that this percentage is still quite substantial may be owed to the normal cumulation there exists between designs and copyright in most countries (as discussed above in the section on copyright above). The third highest percentage (18.7%) relates to a win on the design basis and a loss on the IPR or unfair competition basis. An explanation could be that the design right is the correct right to protect the product rather than any other IPR or unfair competition. That it is lower than the previous percentage seems difficult to explain. Finally, the lowest percentage (12.9%) relates to cases where the claimant loses on the design basis but wins on

⁵⁹ See Economic Review, n. 13 above, p. 168-169. As we discussed in our previous research, studies done in the UK show that owners of design rights find it difficult to defend their rights owing to the weak scope of protection. See Church et al., n. 2 above, p. 715-716, and references cited. This is supported by the litigation statistics: neither the Court of Appeal of England and Wales nor the UK Supreme Court have ever found a CRDR or RDR infringed since the new EU legal system is in place, culminating with the first case decided by the Supreme court. See *Magmatic v PMS International* [2013] EWHC 1925, *reversed by* [2014] EWCA Civ 181, *affirmed by* [2016] UKSC 12 (involving the famous Trunki child rolling suitcase). Only one CUDR was ever found infringed at appeal level. See *Landor & Hawa International v Azure Designs* [2006] EWCA Civ 1285. See also R. Oesch, M.-L. Rinkineva and H. Hietamies, "Mallioikeus: Muotoilun Suoja", Alam Talent, Helsinki, 2005 cited by J. Heikkilä & M. Peltoniemi, n. 2 above (users of the design system find its enforcement challenging and design right holders sometimes forgo suing infringers).

the IPR or unfair competition basis. It is expectedly the lowest as normally and apart from copyright in some countries prior to *Cofemel*, the intellectual property legal system is so designed that another IPR or unfair competition cannot compensate for the lack of design protection. A Chi-squared test on the rate of winning on another IPR or unfair competition and rate of winning on any design right has a p-value lower than 0.001.⁶⁰ In other words, at the 99% confidence level, there is a correlation between winning on another IPR or unfair competition and winning on any design right. Inspecting the data shows that this correlation seems to be positive; in other words, it appears that when a claimant sues on both rights, winning/losing on another intellectual property right or unfair competition is positively associated to winning/losing on any design right.

Table 1b shows the percentages of cases considered in table 1a specifically concerned with copyright, as opposed to all other IPR and unfair competition, and confirms our intuitions in the above paragraph concerning the special status of copyright compared to the other rights.

Table 1b. Wins on the basis of a design right and copyright

	CopyrightLose	CopyrightWin
DesignLose	257 (51.8% of all)	88 (56.4% of all)
DesignWin	98 (43.4% of all)	175 (52.6% of all)

Table 1a and the statistic at the start of section titled “Rate of winning on any design right with the rate of winning on another IPR or unfair competition” mean that if the claimant loses on the design right s/he has had lower chances to win on the basis of another IPR or unfair competition, compared to when s/he wins on the design right. We may speculate here that this makes sense, as if the design right was the ‘right IPR’ for the product in question, the other rights will normally not compensate. Apart from the reasons mentioned above, this could be explained by the legal exclusions on shapes between trade mark and designs (art 4(1)(e) of the TMD and 7(1)(e) of the trade mark regulation), by

⁶⁰ 17% unknowns.

the fact that defendants will have labelling preventing a risk of confusion with the claimant’s product, and/or the lack of protection in certain countries under slavish imitation.

The numbers in table 1a per type of design right are roughly similar as tables 2-4 show. The total proportion of losses on another IPR given a win on CUDR is 41.9%⁶¹; given a win on RDR, it is 42%⁶²; and given a win on CRDR, it is 35.6%⁶³. For all rights, at the 95% confidence level (for CUDR, p-value = 0.044⁶⁴) and 99% confidence level for RDR and CRDR (p-values = 0.006 and < 0.001⁶⁵), the probability of winning on an IPR/unfair competition basis given a win on the design right (be it a CUDR, RDR or CRDR) is greater than a half. A Chi-squared test on the rate of winning on another IPR or unfair competition and rate of winning on a specific design right has a p-value lower than 0.001 for the three types of specific design rights. In other words, at the 99% confidence level, there is a significant correlation between winning on another IPR or unfair competition and winning on a specific design right. The conclusion we drew in the previous paragraph can similarly be drawn for each specific design right.

Table 2. Wins on the basis of a CUDR and another IPR or unfair competition

	IPRLose	IPRWin
CUDRLose	100 (41%)	20 (8.2%)
CUDRWin	52 (21.3%)	72 (29.5%)

Table 3. Wins on the basis or an RDR and another IPR or unfair competition

⁶¹ 19.3% unknowns.

⁶² 13.0% unknowns.

⁶³ 8.1% unknowns.

⁶⁴ 20.9% unknowns.

⁶⁵ 18.3% unknowns for RDR, 11.2% unknowns for CRDR.

	IPRLose	IPRWin
RDRLose	207 (36.6%)	95 (16.8%)
RDRWin	111 (19.6%)	153 (27%)

Table 4. Wins on the basis of a CRDR and another IPR or unfair competition

	IPRLose	IPRWin
CRDRLose	166 (47.2%)	37 (10.5%)
CRDRWin	53 (15.1%)	96 (27.2%)

Overall, at every court level except the supreme court, claimants have been more likely to win on the basis of another IPR/unfair competition (table 5). Interestingly, claimants' rate of winning on an additional basis depends on court level, whatever the basis. In first instance, claimants have won in 55.4% of the cases, in appeal in 66.7% of the cases and in the highest courts in 23.1% of the cases. This dependence of the rate of winning upon court level is confirmed by a Chi-squared test of association at the 99% confidence level ($p\text{-value} < 0.001^{66}$). We can also confirm, at the 99% confidence level, that the rate of winning differs between court levels 1 and 2, that is, excluding data from the highest court level ($p\text{-value} < 0.01^{67}$). Inspecting this table reveals that claimants are actually more likely to win on appeal on this additional basis they use. H14 is confirmed.

Table 5. Number of wins on an IPR/unfair competition given a win on design by court level

Court level	IPRLose	IPRWin

⁶⁶ 12.4% unknowns.

⁶⁷ 12.8% unknowns.

1 (first instance)	135 (44.6%)	168 (55.4%)
2 (appeal)	81 (33.3%)	162 (66.7%)
3 (Supreme Court)	10 (77%)	3 (23%)

The statistics per country are very varied for wins on another basis given a win on a design right. In some countries, the splits between losses and wins are more or less even (UK, and Portugal). In others, namely Austria, Belgium, the Czech Republic, Cyprus, Denmark, Finland, Greece, Italy and France, there are more wins that can amount to double the amount of losses, while Romania, Hungary and Germany have no wins at all. Bulgaria, Estonia, Poland, Sweden and Slovenia do not have any relevant data points on this issue. In Spain and the Netherlands, there are more losses than wins.

In table 6, we show the number of decisions in which the claimant won on his/her design right by type of design right and won also on another IPR or unfair competition basis.

Table 6. Number of wins on both rights by type of design right and IPR/unfair competition⁶⁸

	CUDR	RDR	CRDR
Copyright	51 (30.4%)*	86 (51.2%)	31 (18.4%)
Patent	1	3	2
Trade mark	2 (6.4%)	12 (38.7%)	17 (54.8%)
Utility model	0	2	0
Risk of confusion	2 (6%)	12 (41.3%)	16 (51.7%)
Slavish imitation	16 (19.2%)	35 (44.8%)	30 (35.8%)

* Percentages relate to the proportions per type of other IPR/unfair competition, i.e. are calculated horizontally.

⁶⁸ 3.4% unknowns for copyright and 20% for patent, no unknowns elsewhere.

It is difficult to interpret the data in table 6 when the numbers are low (here, for risk of confusion, patents and utility models). Although there are substantial differences in the relative weight of each design right (here RDR seems to have been used in the majority of wins), it should be pointed out that the proportion of CUDR and CRDR litigation is much lower overall (12.7% CUDR, 65.4% RDR and 18.3% CRDR, 3.4% unknown). Interestingly, except for copyright, the numbers of wins on both a design right and another basis are similar or even higher for CRDR than RDR litigation, even though the amount of CRDR litigation is much lower than the amount of RDR litigation. These numbers prompted us to check whether there were more big companies using CRDR and trade mark or risk of confusion basis, to see if this could possibly be owed to the fact that they are more intellectual property-savvy (bigger companies are wealthier and thus are able to hire better intellectual property lawyers both to secure and litigate the rights). It is not clear this is the case in relation to trade marks, and it is most probably not the case for risk of confusion. In the 43 litigations in which companies litigated on a CRDR and a trade mark, a small majority of the claimants are big companies (15 SMEs, compared to 14 big companies).⁶⁹ In the 51 litigations in which companies litigated on a CRDR and risk of confusion, a majority of the claimants are SMEs (23 SMEs, compared to 13 big companies).⁷⁰ Even if the 15 unknowns were all big companies, there would still be a substantial proportion of SMEs claiming on the basis of risk of confusion. This shows that SMEs seem very able to use the full

⁶⁹ In a total of 63 decisions, 10 companies are unknown because of the rules concerning confidentiality in the countries in question. There are 43 litigations. In those 43, there are 14 where it is not known whether the claimant is a big company or an SME. However, in the unknowns, we have Reckitt, Mattel and Bose which are big companies according to the data found on their website and the EU definition of an SME. We did not include them as big companies because the Kompass database did not mention them as such.

⁷⁰ In a total of 82 decisions, 31 companies are unknown because of the rules concerning confidentiality in the countries in question. There are 51 litigations. In those 51, there are 15 where it is not known whether the claimant is a big company or an SME. In one case, it can be clearly deduced that the claimant is Reckitt Benckiser from the facts of the case.

gamut of intellectual property rights and unfair competition to protect their designs. The copyright singularity is very likely owed to the fact that it is an unregistered right like CUDR.

Type of design right claimed and wins on another IPR or unfair competition

This section discusses the number of decisions in which a design right was claimed (whether the claimant won or not on this right) and the number of wins on another basis, be it another IPR or unfair competition. This is different from our focus in the previous section, where only wins on both counts were taken into consideration. As tables 7 and 8 below show, overall, there does not seem to be any meaningful connection between the type of design right claimed and the wins on another IPR/unfair competition. There are fewer instances where the claimant wins on CUDR, which makes sense as CUDR is overall used less in litigation than the registered design rights, and the numbers for RDR are higher because there is comparatively more RDR litigation than CRDR (see above section titled “Rate of winning on any design right with the rate of winning on another IPR or unfair competition”).

Table 7. Number of wins on a design right when another IPR/unfair competition is claimed

	CUDR	RDR	CRDR
Copyright	124	147	63
Patent	2	8	5
Trade mark	12	33	39
Utility model	0	5	1
Risk of confusion	14	38	50
Slavish imitation	42	84	68

Table 8. Number of wins on IPR or unfair competition when a design right is claimed

	CUDR	RDR	CRDR

Copyright	68	146	48
Patent	1	5	2
Trade mark	2	25	24
Utility model	0	5	0
Risk of confusion	3	19	21
Slavish imitation	19	51	40

It is possible to look at some countries separately where the numbers are high enough to give meaningful information.

In France, when a claimant litigated over a CUDR and copyright, s/he was more likely to win (35 decisions) than lose on both (16 decisions) (table 9). There were less than half as many decisions where the claimant won on the CUDR but not on the copyright (13 decisions). This is almost the same for the reverse result (12 decisions). A Chi-squared test on the rate of winning on copyright and rate of winning on CUDR has a p-value of 0.018 (the Fisher exact test gives a p-value equal to 0.014)⁷¹. In other words, at the 95% level, there is a correlation between winning on copyright and winning on CUDR. Inspecting the data shows that this correlation seems to be positive; in other words, it appears that when a claimant sues on both rights, winning/losing on copyright is positively associated to winning/losing on CUDR. H15 is confirmed. This seems to indicate that copyright does not trump⁷² CUDR; on the contrary, they go hand in hand or reinforce each other. This is problematic because in France the damages are cumulated, the overlap thus giving rise to overprotection.

⁷¹ 2.6% unknowns.

⁷² Overprotection can also arise in any case from one IPR trumping the other because the strictest regime will apply. So if an exclusion or exception applies in, say, CUDR but not in copyright, copyright will trump the CUDR.

Table 9. Wins on the basis of a CUDR and copyright, in France only

	CopyrightLose	CopyrightWin
CUDRLose	16	12
CUDRWin	13	35

By contrast, in France, when a claimant litigated on a CRDR and copyright, s/he was more likely to lose on both (33 decisions) than win on both (9 decisions) (table 10). There was a very low number of decisions where the claimant won on the CRDR but not on the copyright (3 decisions). This is the same for the reverse result (3 decisions). This may indicate that it makes more sense to litigate on unregistered rights as the scope is vaguer, and thus defendants are less certain whether they infringe or not.⁷³ A Chi-squared test and a Fisher exact test on the rate of winning on copyright and rate of winning on CRDR have a p-value lower than 0.001 and are therefore both significant at the 99% level⁷⁴. Surprisingly perhaps, and even though winning rates are low, the data show that the correlation seems to be positive, so that when a claimant sues on both rights, winning/losing on copyright is positively correlated to winning/losing on CRDR. H16 is confirmed.

Table 10. Wins on the basis of a CRDR and copyright, in France only

	CopyrightLose	CopyrightWin
CRDR Lose	33	3
CRDR Win	3	9

⁷³ Church et al., n. 2 above, p. 705 and references cited; A. Tischner, “Lost in communication: A few thoughts on the object and purpose of EU design protection”, in S. Frankel (ed.), *The object and purpose of intellectual property* (Cheltenham: Elgar, 2019), p.154, at 177-179.

⁷⁴ 9.4% unknowns.

Somewhat similar proportions are found when the claimant uses RDR (table 11). So in France, a claimant has been slightly more likely to lose on both (84 decisions) than win on both (78 decisions). There were less than half as many decisions where the claimant won on the RDR but not on the copyright (32 decisions). This is similar for the reverse result (48 decisions). Similarly to the CRDR case, a Chi-squared test on the rate of winning on copyright and rate of winning on RDR has a p-value lower than 0.001⁷⁵ and is thus significant at the 99% level, meaning that there is a correlation between winning on copyright and winning on RDR. This correlation again appears to be positive. H17 is confirmed.

Table 11. Wins on the basis of a RDR and copyright, in France only

	CopyrightLose	CopyrightWin
RDR Lose	84	48
RDR Win	32	78

The observed trend when a claimant uses a CRDR and a copyright is similar in the Netherlands: claimants there have been more likely to lose (23 decisions) than win (13 decisions) on both bases. There are as many cases when the claimant won on design and lost on copyright (7 decisions), as when s/he won on copyright and lost on the design (7 decisions) (table 12). The p-values on the Chi-squared and Fisher tests are 0.008 and 0.007 respectively⁷⁶, so a statistically significant conclusion can be drawn as to whether an association between winning on copyright and CRDR exists in the Netherlands. H18 can therefore be confirmed.

Table 12. Wins on the basis of a CRDR and copyright, in the Netherlands only

⁷⁵ 12.3% unknowns.

⁷⁶ 13.8% unknowns.

	CopyrightLose	CopyrightWin
CRDR Lose	23	7
CRDR Win	7	13

However, the trend in the Netherlands is different to France for CUDR. In the Netherlands, claimants have been more likely to lose (25 decisions) than win (11 decisions) on both CUDR and copyright and there are half as many cases where the claimant won on design and lost on copyright (12 decisions), than when s/he lost on both bases (25 decisions). The number of cases where the claimant won on copyright but lost on the CUDR is very low compared to the other numbers (3 decisions) (table 13). A Chi-squared test on the rate of winning on copyright and rate of winning on CUDR gives a p-value equal to 0.008 and the Fisher exact test gives a p-value equal to 0.005, so there is an indication that correlation exists between winning on CUDR and winning on copyright (even though the rate of unknowns, at 47.4%, is sizeable here). The observed correlation is once again positive, suggesting that winning/losing on copyright is positively associated to winning/losing on CUDR in the Netherlands as well. Therefore, and like in France, there is an indication that copyright does not trump CUDR. On the contrary, it seems that it is the design system that outdoes the copyright system. This is interesting as in both countries the unity of art applies. It could be owed to the fact that the French judiciary is more pro-right holder than the Dutch one.⁷⁷ However, this assertion would have to be checked; according to a seasoned practitioner, Dutch judges tend not to be biased one way or another.⁷⁸ H19 is confirmed.

Table 13. Wins on the basis of a CUDR and copyright, in the Netherlands only

⁷⁷ According to a UKIPO report, the perception of interviewees is that French (as well as German) courts are pro-right holder. See BOP Consulting, “Design rights, An International Comparison”, UKIPO (Ed.), *The Economics of Design Rights. An Intellectual Property Office Report*, London, 2011, accessed 8 May 2020, p. 21. The report is based on 26 interviews with designers, design companies, lawyers and economists, staff working at WIPO and design trade associations in the UK, France, Germany.

⁷⁸ Email on file with the authors.

	CopyrightLose	CopyrightWin
CUDRLose	25	3
CUDRWin	12	11

We also examined the data for copyright and RDR in the Netherlands. The Fisher and Chi-squared tests have high p-values and are therefore inconclusive; the numbers being very small, it would be unadvisable to draw a strong conclusion in any case (table 14)⁷⁹. H20 is not confirmed.

Table 14. Wins on the basis of a RDR and copyright, in the Netherlands only

	CopyrightLose	CopyrightWin
RDRLose	10	2
RDRWin	4	3

Use of design rights by size of company litigating

It has been difficult to find out what kind of companies litigate over design rights. There are several reasons explaining this. First and foremost, some countries such as Romania, Germany and Austria do not publish the names of the parties, so it is very difficult to determine who they are: one would have to check the registered design number of the claimant(s) which gives the applicant's identity. This is both time consuming and not totally reliable, as one would still need to check if the right still belongs to the identified company; indeed, not all Member States mandate the recordation of change of ownership in registers⁸⁰, and if the design litigated over is a CUDR it is potentially hard to find who

⁷⁹ 9.5% unknowns.

⁸⁰ For instance, recordation of transfers in intellectual property registers is mandatory in Austria (art 21 and 22 of the Design Act), Bulgaria (art. 24(4) of the Industrial Designs Act), France (art. L 513-3 of the Intellectual

the claimant is. Second, parties may have disappeared after the litigation because of potential bankruptcies/insolvencies/closing down owed to the litigation or other factors. Therefore, the statistics here can only be purely descriptive owing to the high rate of unknowns. On the positive side, in many cases, the claimants and defendants' identities were readily available in the judgments and we can draw tentative conclusions from this data.

We first discuss what kind of companies were suing and being sued, and then the proportion of small and medium size enterprises (SMEs) and big companies litigating. In total, in all the Member States, there seems to be a large number of SMEs litigating on design rights. We first checked whether there was at least one SME litigating, because there is sometimes more than one claimant initiating a litigation, some of them being SMEs and some of them big companies. We found that there was at least one SME claiming in 364 cases (72.4% of litigations), and no SME claiming in 139 cases (27.6% of litigations), with the rate of unknowns being over half the known data (namely 650 litigations). Even if we assumed that the 650 unknown companies were all big companies (which is unlikely) the share of SMEs would still be non-negligible (31.6%). Therefore, there is some evidence that H8 is true.

Conversely, we found that there was at least one big company claiming in 149 litigations (29.6% of cases), and no big company claiming in 354 cases (70.5% of litigations).⁸¹ We similarly found that there was no SME defending in 105 litigations (23.3% of litigations) and at least one SME defending

Property Code), the Benelux (art. 3.27 of the Benelux convention), the UK (s. 17 of the Registered Design Act), Italy (arts. 138(1)(a) and 139(2) of the Italian Industrial Property Code), Lithuania (art. 40 of the design act), Slovakia (art. 21(2) of Law on Designs No. 444/2002 of Slovak Digesta) and Portugal (Articles 30(4) and 29 of the Industrial Property Code) but not in the Czech Republic (art. 30 Act. No. 207/2000 Coll.), Hungary or Slovenia (art. 107 of the Slovenian Industrial Property Act).

⁸¹ Same rate of unknowns. Note that the words “no SME claiming/defending” and “at least one big company claiming/defending” are not mutually exclusive, as one could have both an SME and a big company claiming in the same litigation.

in 345 litigations (76.7%), and no big company defending in 324 litigations (72% of litigations) while there was at least one big company defending in 126 litigations (28% of litigations).⁸² Even if the total number of unknowns (703) were added to the number of big companies, the rate of SMEs would still be about a third in each case. Therefore, there is some evidence that SMEs seem to be defendants more often than big companies, while at the same time being claimants more often too, pointing to some evidence that H8 is true. These proportions are verified in almost all Member States (only in those where there is very little litigation, i.e. less than 10 litigations, is the number slightly higher for the big companies). This suggests a large number of lawsuits exclusively between SMEs. Indeed, there is the highest number of litigations (168) where there is at least one SME claiming and at least one SME defending (table 15).

Table 15. Number of litigations in which SME are (or not) claiming/defending.⁸³

	Unknown	No SME defending	At least one SME defending
Unknown	495	35	120
No SME claiming	54	28	57
At least one SME claiming	154	42	168

The analogue data for big companies is as follows: there is the lowest number of litigations (37) where there is at least one big company claiming and at least one big company defending (table 16).

Table 16. Number of litigations in which big companies are (or not) claiming/defending

⁸² 60.9% of unknowns in both (703 in total).

⁸³ Because many litigations involve more than one claimant and more than one defendant, the numbers in tables 15 & 16 do not exactly mirror each other.

	Unknown	No big company defending	At least one big company defending
Unknown	495	115	40
No big company claiming	152	153	49
At least one big company claiming	56	56	37

We examined the rate of big companies suing SMEs and vice versa but did not identify any interesting relationship. The data shows that SMEs seem to constitute the majority of claimants and defendants.

Going down to the level of types of design rights, table 17 below shows that there are more than twice as many SMEs claiming in relation to all design rights.

Table 17. Number of litigations by type of companies claiming per design right

Type of design right	SME	Big company
UKUDR ⁸⁴	13	6
CUDR ⁸⁵	47	17
CRDR ⁸⁶	93	41
RDR ⁸⁷	124	35

⁸⁴ 11 unknowns.

⁸⁵ 77 unknowns.

⁸⁶ 194 unknowns.

⁸⁷ 309 unknowns.

The numbers are consistent across all design rights, registered or not: overall, it seems again that most litigations seem to feature at least one SME. Finally, SMEs (23 litigations) claim on several design rights in the same litigation a bit more often than big companies (16 litigations) (39 unknown), showing that SMEs are well aware of this possibility. The numbers for SMEs and big companies are here much closer in relative terms since 23/16 is approximately 1.5, while ratios for CUDR, RDR and CRDR only are approximately 2.8, 3.5 and 2.3, so big companies seem to be over-represented in multiple rights usage. It may very well be because it is more costly to sue for infringement of multiple rights (owing to higher procedural fees and the need for more expert lawyers). As we saw in section titled “Rate of winning on any design right with the rate of winning on another IPR or unfair competition” in relation to trade marks and risk of confusion, despite the number of unknowns, many SMEs also use at least these two additional protections for designs. We suspect that the trend is the same for the other IPR.

Another interesting point is the variety of companies suing in the EU. There are only a handful of cases where the same companies litigate in more than two different countries. Most of these cases involved the same claimants and defendants over the same design (*Apple v Samsung* in relation to the

iPad⁸⁸, *Procter & Gamble v Reckitt Benckiser* in relation to their Febreze bottle design⁸⁹, BMW in relation to their wheel rims⁹⁰, though for the latter against different defendants in different countries).

Despite the number of unknowns, we can still draw from this data the conclusion that clearly, SMEs are litigating over designs in large proportions, and thus benefitting as much as larger companies from the EU design system.

Conclusion

The most striking finding from this research is that overall, claimants have lost on the other basis they used to protect their design. This shows that, even though the problem of genuine overlaps exists,

⁸⁸ 1st instance court of The Hague (preliminary ruling), 24 August 2011; 1st instance court of The Hague, 24 January 2012 and 16 January 2013 on the merits, *aff'd* by Dutch Supreme Court, 31 May 2013; [2012] EWHC 899 *aff'd* by EWCA Civ 72; case Az: 14c O 194/11, court of 1st instance of Duesseldorf, 9 September 2011, *rev'd* by Court of appeal of Duesseldorf, 31 January 2012; 1st instance Court of Duesseldorf, 9 February 2012 *aff'd* by Court of appeal of Duesseldorf, 24 July 2012 (a different Galaxy tablet design than in the previous case); Commercial court of Alicante, 4 June 2012.

⁸⁹ Case 4 Ob 43/07p, Commercial Court of Vienna, 30 August 2006, OLG Vienna, 6 December 2006, Austrian Supreme Court, 22 May 2007; [2006] EWHC 3154 *rev'd* by [2007] EWCA 936; Commercial tribunal Evry, 5 April 2006; CA Paris, 17 January 2007; 1st instance Court of Brussels, 11 May 2006.

⁹⁰ *BMW v Inter-Tyre Holland*, 7 October 2008, 1st instance court of the Hague, *aff'd* by Court of appeal of the Hague, 18/05/2010; *BMW v Round and Metal Ltd & Another* [2012] EWHC 2099; *BMW v Avalini*, Venice 1st instance court, 25 November 2008 (preliminary ruling); *BMW v For Wheels*, 1st instance court of Bologna, 14 February 2011 (preliminary ruling) and 1 June 2011 (on the merits); *BMW v Pneusgarda*, 1st instance court of Milan, 11 June 2012; *BMW v. Acacia*, 30 April 2015, 1st instance court of Duesseldorf (there are more cases involving wheel rims in Germany but it is difficult to know if they all involved BMW owing to the anonymity of parties); *BMW v Car Elite Import S.L and Car Elite Wheels S.L.*, 18 June 2010, CA Alicante; *BMW v Sanco Wheels*, Commercial court of Alicante, 7 December 2010; *BMW v Acacia*, Commercial court of Alicante, 16 January 2013.

courts overall apply the law well. Nevertheless, it would be interesting to see if this finding is confirmed at national level. It is also noteworthy that overall, claimants win more often than they lose on trade marks while the reverse is true for all other intellectual property rights, risk of confusion and slavish imitation. The French case law shows that courts may not always apply the law well, or that rules of procedure do not allow to raise points of law the defendants have not raised, e.g. absolute grounds of refusal in relation to trade marks, therefore unwittingly allowing overlaps where they should not occur. The example of France shows that there may very well be discrepancies in the application of the law between different Member States. An analysis of all the cases of genuine overlap in each country is beyond the scope of this article, but would be worth carrying out as it could identify such trends in each country. It would be especially interesting to see if the French trends hold in other countries or not. If this is the case, there is a problem caused by this specific genuine overlap that needs remedying via a change in the procedural rules.

Another striking finding is that claimants have overall been more successful in appeal compared to first instance when they use a copyright, patent, trade mark or risk of confusion as they are more likely to win in appeal. This is in a way quite problematic, as it disadvantages those that cannot afford large legal fees. This is however not the case for slavish imitation. Also, overall, in appeal (except the supreme court), claimants have been more likely to win on the basis of another IPR/unfair competition if they win on the design right. This contrasts with the findings of our previous paper for designs right only: the rates of winning were more or less equal for validity of the design (78.1% in first instance and 78.7% in appeal (only level 2)) and infringement of the design (64.7% in first instance and 62.8% in appeal (only level 2)).⁹¹

Another important finding is that it seems that claimants are more likely to win on unregistered design rights than registered design rights in France. This is not the case in the Netherlands. There is not yet enough data to draw inferential conclusions in other countries; it will be interesting to see in the future if that trend carries in France and exists in others, as it would show that it is less interesting to register

⁹¹ Church et al., n. 2 above, tables 1 and 6a.

designs in many cases, making the EU design legal framework less relevant. This issue is particularly important for those Member States affected by the *Cofemel* decision, chiefly Germany, Italy, Portugal and the UK. This rate of winning on both CUDR and copyright is also important for those Member States which cumulate damages like France, as the genuine simultaneous overlap in these cases overprotects the right holder.

Finally, in relation to SMEs and big companies, it is reassuring to see that SMEs have used the design law system substantially, and possibly even more than the big companies. They are also aware of all design rights, registered and not registered, at the national and EU level, and may combine different design rights and other IPR and unfair competition when they litigate. Their use of design rights thus shows that they find it useful to litigate (namely that they are likely to win) and it confirms, more specifically for SMEs, that the design law system has overall been effective.